Information Technology Council
Enterprise Applications Committee

California Email Solutions

Responsibility for Messaging Systems
Policy Background

Email is a mission critical tool for communication that was installed, purchased and is maintained on a department-by-department basis in California.

Currently, virtually every department in state government independently acquires licenses and manages the entire basic infrastructure to operate email. The infrastructure includes such things as servers, network equipment, licenses for email applications (e.g., Groupwise, Outlook or Lotus Notes), security tools (e.g., anti-virus and anti-spam) and staff to support and maintain these systems.

The distributed maintenance of these systems creates management and security inefficiencies. The most significant problem is that the overall security of the State's networks depends upon the security of its weakest link. With well over one hundred separate departments managing email and varying levels of security expertise in those departments, the State staff know that the network is not as secure as it would be with consolidated management.

Based on the results of a survey conducted by the Department Of Finance (DOF) last fall which gathered information from departments about email systems and their costs, staff conservatively estimates that total annual costs for maintaining the Executive Branch's estimated 145,000 mail boxes are at least $20,880,000 annually ($12.00 per mail box per month). The true figure is probably higher because many departments pay significantly more for email (up to $18.00 per mail box per month).

California's experience with email is not unique. Large organizations around the world developed their email systems one piece at a time as the technology offered by the industry improved and the Internet revolutionized electronic communication. Distributed email acquisition and management has been common in large organizations. However, over the last five to ten years, many of these same large organizations have improved the management and security of their email systems and reduced total costs of operation by consolidating the acquisition, maintenance, security and licensing of email systems. They have created enterprise-wide email systems.

Executive Branch Email Statistics

In the California Executive Branch there are approximately 100,000 mail boxes using Microsoft Exchange, 30,000 using Lotus Notes and 15,000 using GroupWise. These mail boxes are acquired and managed by each department independently. Based on the

experience of other large organizations, staff believes there are significant savings from consolidating the management of these three email platforms. Looking just at Microsoft Exchange, it appears that if the consolidated licensing and management costs were reduced to $7-8 per mail box per month, for example, a potential savings of $4.8 - $6.0 million will be realized annually.

Policy Decision

The *Responsibility for Messaging Systems* Policy was adopted unanimously by the IT Council on April 30, 2004, in Sacramento. The Council is a group of 32 top IT leaders from state agencies, state data centers, constitutional offices, local government and the judiciary, http://www.cio.ca.gov/ITCouncil/default.html, who advise the State CIO on IT policies and standards. The Council adopted the attached IT Council Policy Statement on *Responsibility for Messaging Systems*. The policy provides that

> "*Messaging systems are common technologies within the Executive Branch, for which the acquisition, technical and security management, and ongoing licensing will be consolidated for reasons of cost-effectiveness, improved manageability and security…The State CIO shall designate one or more agencies to assume responsibility for consolidated acquisition, technical and security management, and ongoing licensing of messaging systems for the Executive Branch subject to such conditions and oversight as the State CIO may require.*"

Policy Purpose

The purpose of message systems consolidation is NOT to change anyone's email system but only to do a better job of managing what the State already has.

The IT Council's recommendation is supported substantially by work done by the California Performance Review (CPR) http://www.cio.ca.gov/ITCouncil/Policies.html. The CPR's IT Team has been examining this issue closely and assisted the Council in its understanding and analysis of the pros and cons of email consolidation.

Pilot Project

Based on this policy, the State CIO will designate two or three departments to conduct a 3 to 6 month pilot project (affecting around 10-15,000 mail boxes) to validate the anticipated savings and make sure the staff understands all aspects of a consolidation. The Employment Development Department (EDD) and Parks & Recreation Department have volunteered for this pilot. Microsoft has already agreed to participate in the pilot project also.

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If the pilot is successful, the State will need to enter into an enterprise-wide licensing agreement with Microsoft with respect to those departments that currently use Microsoft Exchange, and the State will then begin to convert existing Microsoft Exchange systems into a consolidated, statewide email system. Similar project activities with respect to those departments that currently use Lotus Notes and GroupWise will also be initiated.

Statewide Implementation

If the pilot is successful and the State decides to move forward statewide, the State CIO will be available for presentations to Cabinet secretaries because of the critical importance email plays in everyone's work. For now, only a few departments will be affected and their participation will be voluntary. The CIOs of these departments will brief their directors and business deputies.

Note in closing the significance of the unanimous action by the IT Council. The April 30 meeting was only the second meeting of the IT Council, and this was the first action taken on adopting a statewide IT policy. Unanimous agreement on consolidating acquisition and maintenance of email systems reflects a remarkable degree of consensus about the benefits of taking an "enterprise-wide" view of IT. It suggests that the State's departmental IT leaders are ready for serious discussions and immediate action to adopt statewide standards and policies to improve the State IT systems. Given where California needs to go in terms of statewide e-government applications and back office systems (such as statewide budget and financial systems, HR systems, payroll systems and procurement systems), the action taken on email is an auspicious beginning.

Tracking Progress

Visit http://www.cio.ca.gov/ITCouncil/default.html to track the Email Pilot project progress and other project planning activities.